

Senate File 490 - Reprinted

SENATE FILE 490
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO SSB 1019)

(As Amended and Passed by the Senate March 15, 2011)

A BILL FOR

1 An Act authorizing and regulating savings promotion drawings,
2 and granting licensing authority to the department of
3 inspections and appeals.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 99B.1, Code 2011, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 14A. "*Financial institution*" means a state
4 or federally chartered credit union as defined in section
5 533.102 or a state or federally chartered bank as defined in
6 section 524.103, which is located within the state of Iowa.

7 Sec. 2. Section 99B.1, subsection 26, Code 2011, is amended
8 to read as follows:

9 26. "*Raffle*" means a lottery in which each participant buys
10 a ticket for a chance at a prize with the winner determined by
11 a random method and the winner is not required to be present to
12 win. "*Raffle*" does not include a slot machine. "*Raffle*" does
13 not include a savings promotion drawing.

14 Sec. 3. Section 99B.1, Code 2011, is amended by adding the
15 following new subsection:

16 NEW SUBSECTION. 26A. "*Savings promotion drawing*" means a
17 drawing conducted by a financial institution, or a group of
18 financial institutions, in which a designated prize or prizes
19 may be won by the deposit of a specified amount of money in a
20 savings account, time deposit, or other savings program offered
21 through that financial institution or group of financial
22 institutions.

23 Sec. 4. Section 99B.7, subsection 1, unnumbered paragraph
24 1, Code 2011, is amended to read as follows:

25 Except as otherwise provided in section 99B.7C or 99B.8,
26 games of skill, games of chance, and raffles lawfully may be
27 conducted at a specified location meeting the requirements of
28 subsection 2 of this section, but only if all of the following
29 are complied with:

30 Sec. 5. NEW SECTION. 99B.7C Savings promotion drawings.

31 1. For the purposes of this section, a "*participant*" is a
32 person who is at least eighteen years of age and who has opened
33 a savings promotion drawing account at a financial institution.

34 2. A savings promotion drawing may lawfully be conducted by
35 a financial institution or group of financial institutions if

1 all of the following conditions are met:

2 *a.* The savings promotion drawing conducted includes the
3 distribution of the financial institution's savings promotion
4 drawing rules to all participants in the savings promotion
5 drawing.

6 *b.* The savings promotion drawing is open to all participants
7 as provided in the rules established for the savings promotion
8 drawing by the financial institution conducting the savings
9 promotion drawing. Savings promotion drawings shall not be
10 open to members of the public who are not participants pursuant
11 to the savings promotion drawing rules of the financial
12 institution.

13 *c.* The financial institution offering the savings promotion
14 drawing maintains records regarding its savings promotion
15 drawing and the number of participants.

16 *d.* The savings promotion drawing is conducted in a fair and
17 honest manner. The financial institution shall not conduct
18 a savings promotion drawing in a manner that jeopardizes the
19 financial institution's safety and financial soundness or
20 misleads its participants.

21 3. A financial institution shall provide an annual report
22 to the department for each year in which a savings promotion
23 drawing was held. This report shall include the number of
24 savings promotion drawings held during the year, when the
25 savings promotion drawings were held, the description and value
26 of the prize or prizes offered, the names and addresses of
27 participants who won prizes, a copy of the savings promotion
28 drawing rules, and the names and addresses of two witnesses
29 to the drawing. If multiple financial institutions combine
30 efforts for one or more collective savings promotion drawings
31 between participants, they may file a joint annual report.

32 4. Prizes awarded in a savings promotion drawing may be in
33 cash or any other form of property and, subject to the other
34 provisions of this section, shall not be subject to limits on
35 quantity. A financial institution may not award a single prize

1 in a savings promotion drawing that is more than twenty-five
2 thousand dollars in value. However, if four or more financial
3 institutions combine efforts for a joint savings promotion
4 drawing, then the value of any single prize awarded through the
5 joint drawing shall not exceed one hundred thousand dollars.

6 5. A financial institution or group of financial
7 institutions may compensate employees of the financial
8 institution, or may hire a third-party operator, to conduct a
9 savings promotion drawing.

10 Sec. 6. Section 99B.9, subsection 1, unnumbered paragraph
11 1, Code 2011, is amended to read as follows:

12 Except as otherwise permitted by section 99B.3, 99B.5,
13 99B.6, 99B.7, 99B.7B, 99B.7C, 99B.8, 99B.11, or 99B.12A,
14 it is unlawful to permit gambling on any premises owned,
15 leased, rented, or otherwise occupied by a person other than a
16 government, governmental agency, or governmental subdivision,
17 unless all of the following are complied with: